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Financial Report
East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana

June 30, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

2-22-06

Michael R. Choate & Company, CPAs
2915 S. Sherwood Forest Blvd., Ste B
Baton Rouge, Louisiana 70816

Financial Report

**East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana**

June 30, 2005

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Baton Rouge, Louisiana

June 30, 2005

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MANAGEMENT'S DISCUSSION AND ANALYSIS

East Baton Rouge Council on Aging, Inc.

The "Management's Discussion and Analysis" of the East Baton Rouge Council on Aging, Inc.'s (the Council) financial performance presents a narrative overview and analysis of the Council's financial activities for the year ended June 30, 2005. This report highlights the current year's activities, resulting changes, and relevant facts. Please read this report in conjunction with basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS (see condensed statements on page 6)

- The combined increase in fund balances for the year ended June 30, 2005 is \$ 308,421. This is compared to June 30, 2004 decrease of \$(75,717) an improvement of \$384,138.
- The Council's General Fund reported an increase in fund balance of \$334,131 compared to an increase of \$ 29,632 for 2004 - an improvement of \$304,499. This was accomplished primarily by settling a lawsuit after 5 years of litigation and reducing expenditures.
- The Council's total revenue increased \$265,045 (or 10%) primarily due to settlement of lawsuit of \$232,766.
- The Council's total expenditures decreased \$119,093 (or 4.5%) as follows:
 - Reduced salaries thru attrition \$94,615
 - Insurance –workers comp and health insurance increased \$33,472
 - Travel increased \$7,596 due to increase in mileage rate
 - Service costs decreased by outsourcing accounting and payroll service saving approximately \$3,000 per month
 - Meals increased \$26,507, number of meals served increased 7,000
 - Capital outlay decreased \$28,537
 - Legal fees decreased about \$26,000
- The Council's Government Wide total assets exceeded its total liabilities at the close of fiscal year 2005 by \$229,198.
- Operating cash was \$177,722 at June 30, 2005 compared to \$76,873 at June 30, 2004. This is an increase of \$100,849 or 129%.
- The 2004 outstanding bank loan of \$125,000 has been paid off with funds from lawsuit settlement.

OVERVIEW OF THE FINANCIAL STATEMENTS – What's included

This discussion and analysis is intended to serve as an overview to the Council's basic financial statements. The Council's annual report consists of five parts: (1) management's discussion and analysis (this section) (2) basic financial statements (3) required supplementary information, and (4) the optional section that presents combining statements for non-major governmental funds and other supplementary information and (5) various governmental compliance reports and schedules by certified public accountants and management.

The basic financial statements include two kinds of statements that present different views of the Council:

Government-wide Financial Statements

The government-wide financial statements (see Exhibits A and B) are designed to provide readers with a broad overview of the Council's finances, in a manner similar to a private sector business. The **statement of net assets** presents information on all of the Council's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating. The **statement of activities** presents information showing how the Council's net assets change during each fiscal year (revenues less expenditures). All changes in net assets are reported as soon as the financial transaction occurs regardless of the timing of the related cash flows. Thus, revenues and expenditures are reported in this statement this fiscal year even though the resulting cash flow is in future fiscal years. The governmental activity of the Council is health and welfare which is comprised of various programs that include supportive services, nutritional services, utility assistance disease prevention, caregiver support and a multipurpose senior center in East Baton Rouge Parish, Louisiana.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Council are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current year inflows and outflows of cash, as well as on balances of spendable resources available at the end of the fiscal year. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation

to help with this comparison between governmental funds and governmental activities. (Exhibit D and E)

The Council has presented the General Fund, Title III B – Supportive Services Fund, Title III C-1- Congregate Meals Fund, Title III C-2 – Home Delivered Meals Fund, Title III D, Title III E, USDA and Senior Center Fund as major funds. (Exhibit C & D) All non-major governmental funds are presented in one column, titled “Total Non-Major Funds”. Combining financial statements of the non-major funds can be found in the Combining Fund Statements that follow the basic financial statements (Page 50).

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted budget (Pages 40 to 48). In addition to these required elements, the Council has a section of supplementary information. The Governor’s Office of Elderly Affairs (GOEA) has required the Council to present combining statements that provide details about our non-major governmental funds and details about capital assets and the changes in capital assets. This information will be used by GOEA to verify the accuracy of information submitted to them during the year and to help monitor certain compliance requirements set forth in the grants that it has with the Council (Page 50 - 54).

The Office of Management and Budget (OMB) through its Circular A-133 requires a Schedule of Expenditures of Federal Awards. This schedule will present required information about the Council’s federally funded programs in a manner that can facilitate financial and compliance analysis by the agencies that have granted federal money. (Page 56)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets serve as a useful indicator of the Council’s financial position. As of June 30, 2005, assets exceeded liabilities by \$229,198 as compared to prior year deficit of (\$79,223).

Special Revenue Fund Budgetary Highlights

The budget is amended during the course of the fiscal year to comply with requirements of Governor's Office of Elderly Affairs.

We are establishing an accurate budgeting system to accurately process and submit the budget to the Governor's Office of Elderly Affairs. We have restructured our accounting system and have reduced cost and improved services in our accounting department.

The budget was amended one time during the year. The primary reasons for amending the budget were to comply with the Council's grants for GOEA due to unanticipated changes in revenue and expenditures. The major differences between the original Special Revenue Fund budget and the final amended budget were as follows:

Revenues

- Fundraising decreased \$ 40,000
- Lawsuit settlement increased \$196,500

Expenditures

- Personnel and fringe decreased \$102,477
- Removed \$10,000 for elderly housing application

Required supplementary information budgetary comparison schedules were prepared for the General Fund and each major Special Revenue Fund (Page 41 to 49).

CAPITAL ASSETS

The Council's investment in capital assets for its governmental activities as of June 30, 2005, amounts to \$ 105,864 (net accumulated depreciation). This investment in capital assets includes office furniture, fixtures, vehicles, machinery and equipment (see table below)

	<u>2005</u>	<u>2004</u>
Leasehold improvements	\$ 90,105	\$ 90,105
Office furniture, fixtures and equipment	255,619	254,559
Vehicles	<u>78,164</u>	<u>88,144</u>
Sub Total	423,888	432,808
Less accumulated depreciation	<u>(318,024)</u>	<u>(291,469)</u>
Totals	<u>\$ 105,864</u>	<u>\$ 141,339</u>

Additional information on the Council's capital assets can be found in the Note A and E, Exhibit F of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Council receives most of its funding from federal, state and local agencies. Because of this, the source of income for the Council is consistent. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council, and therefore, those revenues are not fixed. There have been no significant changes to the funding levels or terms of the grants and contracts. The Governor's Office of Elderly Affairs (GOEA) has approved the Council's budget for fiscal year 2005-2006. There are no plans to add any significant programs for next fiscal year.

The Executive Director and Board of Directors considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Actual expenditures from previous fiscal year in relation to expected needs in the current year.
- Consideration of funding to be received from GOEA and City of Baton Rouge.
- Salaries and benefits are based on the number of employees needed to perform necessary services and the related benefits.
- Travel rates in accordance with state travel regulations.
- Services the Council will provide along with estimated service costs.
- Estimate of operation supplies needed to perform necessary services.
- Detail plan of equipment needed to be purchased.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Council's finances for all interested in the Council's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Board of Directors
Johnny Dykes
East Baton Rouge Council on Aging, Inc.
5790 Florida Blvd.
Baton Rouge, Louisiana. 70806-4244
Phone (225) 923-8000

Condensed Statements of Net Assets

	June 30,		Dollar
	2005	2004	Change
Cash	\$ 199,457	\$ 95,518	\$ 103,939
Other current assets	106,342	48,464	57,878
Capital assets, net	105,864	141,339	(35,475)
Total assets	<u>411,663</u>	<u>285,321</u>	<u>126,342</u>
Note payable- bank line	-	106,460	(106,460)
Accounts payable	78,786	127,407	(48,621)
Other liabilities	103,679	130,677	(26,998)
Total liabilities	<u>182,465</u>	<u>364,544</u>	<u>(182,079)</u>
Net Assets:			
Invested in capital assets, net	105,864	141,339	(35,475)
Restricted	25,637	15,872	9,765
Unrestricted	97,697	(236,434)	334,131
Total net assets (deficit)	<u>\$ 229,198</u>	<u>\$ (79,223)</u>	<u>\$ 308,421</u>

Governmental Activities

Governmental activities increased the Council net assets by \$ 308,421. Key elements of this increase are as follows:

Condensed Changes in Net Assets

	June 30,		Dollar	Total
	2005	2004	Change	Percent Change
Revenues:				
Program revenues:				
Operating grants and contributions	1,782,305	1,728,018	54,287	3.14%
General revenues:				
Grants and contributions not restricted	835,420	844,741	(9,321)	(1.10%)
Lawsuit settlement	232,766		232,766	100%
Unrestricted investment earnings	-	45	(45)	(100%)
Miscellaneous	-	12,642	(12,642)	(100%)
Total revenues	<u>2,850,491</u>	<u>2,585,446</u>	<u>265,045</u>	<u>10.25%</u>
Expenses:				
Health and welfare	<u>2,542,070</u>	<u>2,661,163</u>	<u>(119,093)</u>	<u>4.5%</u>
Total expenses				
Increase (decrease) in net assets	308,421	(75,717)	384,138	
Net assets beginning of year	<u>(79,223)</u>	<u>(3,506)</u>	<u>(75,717)</u>	
Net assets end of year	<u>\$ 229,198</u>	<u>\$ (79,223)</u>	<u>\$ 308,421</u>	

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Council's governmental funds is to provide information on current year inflows, outflows, and balances of spendable cash and other resources. Such information is useful in assessing the Council's cash flow requirements. In particular, unrestricted fund balance at year end may serve as a useful measure of a government's net resources available for spending next fiscal year. As of the end of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$174,901, an increase of \$317,657 in comparison with the prior year. An unreserved fund balance of \$149,264 is available for spending at the Council's discretion.

The General Fund is the main operating fund of the Council. At the end of the current fiscal year, unreserved fund balance of the general fund was \$ 149,264 while total fund balance reached \$ 174,901 (Exhibit C). The fund balance of the Council's General Fund increased by \$ 307,892 during the current fiscal year. (Exhibit D)

Other major funds, including Title III B – Supportive Services Fund and Title III C-2 – Home Delivered Meals Fund and Title III C-1 Congregate Meals had a no change in fund balances. These funds are reimbursed by federal and state grants. Expenditures that are not covered by the grants are covered by transfers from the General Fund.



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Independent Auditor's Report

East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana, USA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Baton Rouge Council on Aging, Inc. as of and for the year ended June 30, 2005, which collectively comprise the Council's financial statements as listed in the table of contents. These financial statements are the responsibility of the East Baton Rouge Council on Aging's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the East Baton Rouge Council on Aging, Inc., as of June 30, 2005, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying required supplementary information, such as "Management's Discussion and Analysis" and "Budgetary Comparison Information" are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2005, on our consideration of East Baton Rouge Council on Aging, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the East Baton Rouge Council on Aging's financial statements. The accompanying supplemental schedule of expenditures of federal awards on page 56 is presented for purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Also, the accompanying supplementary information on pages 40 to 48, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplementary information in the "introductory section", have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Michael R. Choate & Company CPAs

December 1, 2005

GOVERNMENT WIDE FINANCIAL STATEMENTS

GOVERNMENT WIDE STATEMENT OF NET ASSETS

**EAST BATON ROUGE COUNCIL ON AGING
BATON ROUGE, LOUISIANA**

June 30, 2005

	Governmental Activities
Assets	
Cash	\$ 199,457
Other Receivables	70,659
Prepaid Expense	26,601
Inventory	4,253
Deposits	4,829
Capital assets, net of accumulated depreciation	<u>105,864</u>
Total Assets	\$ 411,663
Liabilities	
Accounts payable	78,786
Accrued payroll and taxes	50,074
Capital lease obligations	18,890
Accrued compensated absences	32,677
Custodial account	<u>2,038</u>
Total Liabilities	<u>182,465</u>
Net Assets	
Invested in Capital Assets	105,864
Restricted for:	
Utility Assistance	19,449
RAPP	6,188
Unrestricted	<u>97,697</u>
Total Net Assets	\$ 229,198

The accompanying notes are an integral part of this statement.

GOVERNMENT WIDE STATEMENT OF ACTIVITIES
EAST BATON ROUGE COUNCIL ON AGING
BATON ROUGE, LOUISIANA

For the year ended June 30, 2005

	Program Revenues				Net (Expense) Revenue and Increases (Decreases) in Net Assets
	Direct Expenses	Indirect Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions / Programs					
Governmental Activities					
Health, Welfare & Social Services					
Supportive Services:	\$ 397,773	\$ 188,293		\$ 277,079	\$ (308,987)
Personal Care	-	-	-	-	-
Other Services	-	-	-	-	-
Homemaker	-	-	-	-	-
Information and Assistance	-	-	-	-	-
Legal Assistance	-	-	-	-	-
Outreach	-	-	-	-	-
Transportation	-	-	-	-	-
Nutrition Services:					
Congregate Meals	300,655	181,432	-	460,890	(21,197)
Home Delivered Meals	386,589	103,019	-	369,195	(120,413)
Utility Assistance	103,358	8,467	-	117,456	5,631
Disease Prevention and Health Promotion	21,371	11,466	-	13,913	(18,924)
National Family Caregiver Support	84,511	39,682	-	114,247	(9,946)
Multipurpose Senior Centers	82,479	-	-	190,474	107,995
Senior Activities	279,988	73,875	15,619	30,505	(307,739)
Public Relations	121,895	38,832	48,763	14,217	(97,747)
Administration	763,451	(645,066)	33,885	96,062	11,562
Total governmental activities	\$ 2,542,070	\$ -	\$ 98,267	\$ 1,684,038	\$ (759,765)

General Revenues:

City of Baton Rouge Grant
Grants and contributions not restricted to specific programs
Special item - Lawsuit Settlement

661,050
174,370
232,766

Increase (Decrease) in net assets
Net assets - beginning of the year
Net assets - end of the year

308,421
(79,223)
\$ 229,198

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

EXHIBIT C

Balance Sheet
Governmental Funds
East Baton Rouge Council on Aging, Inc.
June 30, 2005

	General Fund	Title III C-1					Title III B	Title III C-1	Title III C-2	Title III - D	Title III - E	N.S.I.P.	Senior Center	Total Non Major Funds	Total
		AAA													
Assets															
Cash	\$ 199,457	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 199,457
Other receivables	70,659														70,659
Prepaid expenses	26,601														26,601
Inventory	4,253														4,253
Deposits	4,829														4,829
Total Assets	\$ 305,799	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 305,799
Liabilities and Fund Balance															
Liabilities															
Accounts Payable	\$ 78,786	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,786
Accrued payroll and taxes	50,074														50,074
Custodial account	-													2,038	2,038
Due to/from other funds	27,675													(27,675)	-
Total Liabilities	156,535	-	-	-	-	-	-	-	-	-	-	-	-	(25,637)	130,898
Fund Balances															
Unreserved/Undesignated:															
General Fund	149,264														149,264
Special Revenue Fund	-													25,637	25,637
Total Fund Balances	149,264	-	-	-	-	-	-	-	-	-	-	-	-	25,637	174,901
Total Liabilities and Fund Balances	\$ 305,799	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 305,799
Amounts reported for governmental activities in the statement of net assets are different because:															
Compensation absences are not paid for out of current financial resources and therefore are not reported funds														(32,677)	
Capital assets used in governmental activities are not resources therefore are not reported in the funds														105,864	
Capital lease obligations are not paid out of current financial resources and therefore are not reported funds														(18,890)	
Net assets of Governmental Activities														\$ 229,198	

The accompanying notes are an integral part of this statement.

EAST BATON ROUGE COUNCIL ON AGING, INC.
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2005

Revenue	General Fund	Title III C-1 AAA	Title III - B	Title III C-1	Title III C-2	Title III - D	Title III - E	N.S.I.P.	Senior Center	Total Non Major Funds	Total
Intergovernmental:											
City of Baton Rouge	\$ 681,050	-	-	-	-	-	-	-	-	-	\$ 681,050
Office of Elderly Affairs	65,747	87,565	277,079	282,738	317,227	13,913	114,247	98,345	190,474	111,502	1,558,837
Corporation for National and Community Service	-	-	-	-	-	-	-	-	-	72,412	-
Interest Income	-	-	-	-	-	-	-	-	-	-	-
Unrestricted Public Support	3,595	-	-	-	-	-	-	-	-	-	3,595
Restricted Public Support	14,148	-	-	-	-	-	-	-	-	2,588	-
Program Service Fees:											
Participant Contributions	-	-	-	41,414	2,796	-	-	-	-	-	-
Program Income	33,885	-	-	-	-	-	-	-	-	-	33,885
Medicare and Medicaid	1,089	-	-	-	-	-	-	-	-	-	1,089
Senior Olympics Entry Fee	14,530	-	-	-	-	-	-	-	-	-	14,530
Miscellaneous:											
Platinum Record Ad Sales	48,763	-	-	-	-	-	-	-	-	-	48,763
Golf Tourney	14,217	-	-	-	-	-	-	-	-	-	14,217
Lawsuit Settlement	232,766	-	-	-	-	-	-	-	-	-	232,766
Senior Olympics Sponsorship	27,935	-	-	-	-	-	-	-	-	-	27,935
Other	5,598	-	-	-	-	-	-	-	-	-	5,598
In-Kind Contributions	32,124	-	33,763	147,144	32,981	1,619	4,369	-	75,000	-	327,000
	<u>1,155,447</u>	<u>87,565</u>	<u>310,842</u>	<u>471,286</u>	<u>353,004</u>	<u>15,532</u>	<u>118,616</u>	<u>98,345</u>	<u>265,474</u>	<u>301,370</u>	<u>3,177,491</u>
Expenditures											
Current:											
Salaries and Wages	192,462	50,617	398,890	198,754	218,131	24,279	84,023	-	67,859	52,884	1,287,479
Fringe	33,643	8,109	87,615	40,017	43,030	3,890	23,041	-	14,620	12,855	266,820
Travel	6,940	986	18,162	404	28,567	284	3,752	-	-	1,547	60,822
Operating Services	113,829	22,913	43,273	42,259	37,203	2,635	9,120	-	-	7,204	278,436
Operating Supplies	20,991	2,030	8,875	8,549	8,634	887	1,136	-	-	1,618	52,700
Other Costs	52,315	2,910	29,451	7,381	8,101	902	3,121	-	-	38,871	143,052
Meals	8,211	-	-	97,158	145,942	-	-	-	-	-	251,311
Utility Assistance	-	-	-	-	-	-	-	-	-	-	-
Sub Grantee	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Debt Service:	-	-	-	-	-	-	-	-	-	-	-
Principle Retirement	14,728	-	-	-	-	-	-	-	-	-	14,728
Interest	3,286	-	-	-	-	-	-	-	-	-	3,286
Sponsorship Expense	-	-	-	-	-	-	-	-	-	-	-
In-Kind Services and Facilities	32,124	-	33,763	147,144	32,981	1,619	4,369	-	75,000	-	327,000
	<u>476,511</u>	<u>87,565</u>	<u>619,829</u>	<u>541,666</u>	<u>522,589</u>	<u>34,458</u>	<u>128,582</u>	<u>-</u>	<u>157,479</u>	<u>289,177</u>	<u>2,859,834</u>
Excess (deficiency) of Revenue over Expenditures	676,936	-	(308,987)	(70,370)	(169,585)	(18,924)	(9,946)	98,345	107,995	12,193	317,657
Other Financing Sources (Uses)											
Operating Transfers In	217,707	-	308,987	70,370	189,585	18,924	9,946	-	-	26,572	825,091
Operating Transfers Out	(588,751)	-	-	-	-	-	-	(98,345)	(107,995)	(32,000)	(825,091)
	<u>(369,044)</u>	<u>-</u>	<u>308,987</u>	<u>70,370</u>	<u>189,585</u>	<u>18,924</u>	<u>9,946</u>	<u>(98,345)</u>	<u>(107,995)</u>	<u>(2,428)</u>	<u>-</u>
Excess (deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	307,892	-	-	-	-	-	-	-	-	9,765	317,657
Fund Balances											
Beginning of Year	(158,628)	-	-	-	-	-	-	-	-	15,872	(142,756)
End of Year	<u>\$ 149,264</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,637</u>	<u>\$ 174,901</u>

The accompanying notes are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana

Year Ended June 30, 2005

Net (Decrease) in fund balances – total governmental funds	\$ 317,657
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Governmental funds report capital outlays as expenditures. However, in the **Statement of Activities** the cost of these assets is allocated over their estimated useful lives and reported as **depreciation expense**. This is the amount by which depreciation (\$36,535) exceed capital outlay (\$1,060) in the current period.

	(35,475)
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Some expenses reported in the **Statement of Activities** do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Capital lease obligations	14,161
Compensated absences	<u>12,078</u>
 Increase of net assets of governmental activities	 <u>\$ 308,421</u>

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2005

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities and Reporting Entity

In 1964, the State of Louisiana passed Act 456, which authorized the charter of voluntary councils on aging for the welfare of the aging people in their respective parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The East Baton Rouge Council on Aging, Inc. is a non-profit, quasi-public corporation which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the Council with most of its revenues. Other entities that provide the Council with federal, state, or local funds may impose some additional requirements.

The primary function of the East Baton Rouge Council on Aging, Inc. is to improve the quality of life for the parish's elderly and to provide services to the elderly as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Some of the services provided by the Council include congregate and home delivered meals, health care services, nutritional education, information and referral, legal assistance, homemaker services, operating senior centers, and outreach. A Board of Directors, consisting of eleven voluntary members who serve three-year terms, governs the Council.

Before January 1, 1992, the Council operated as part of City of Baton Rouge. Effective January 1, 1992, the Council began operating as a stand-alone entity, responsible for managing all of its affairs. The Council is not classified as a component unit of another primary government nor does it have any component units. It is determined to be a separate special-purpose governmental entity and presents its financial statements in a form appropriate to that classification.

Presentation

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The accompanying financial statements conform to accounting principles generally accepted in the United States of America as applicable to governmental entities as prescribed by the GASB, and the applicable requirements set forth in Audits of State and Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants; Subsection VIII – Annual Financial Reporting, accounting manual for Governor’s Office of Elderly Affairs contractors; and , the Louisiana Governmental Audit Guide.

Management’s Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Income Tax Status

The Council, a quasi-governmental entity, is exempt from federal income taxes under section 501(C) (3) of the Internal Revenue Code.

Fund Accounting

The Council uses funds to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain functions or activities.

The accounts of the Council are organized on the basis of funds which are considered separate accounting entities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three generic fund types.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Types

Governmental funds are those through which the functions of the Council are financed. The general activities of the Council, including the collection and disbursement of specific or legally restricted monies, the acquisition of general fixed assets, and the servicing of general long-term obligations are accounted for within the various governmental fund types as follows:

General Fund – The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund. These discretionary funds are accounted for and reported according to the source (federal, state, or local) from which they are derived. In addition, the servicing of general long-term debt is accounted for in the General Fund because unrestricted resources are used to pay for the liabilities incurred by this fund.

The General Fund is considered a Major Fund of the Council.

The following programs comprise the Council's General Fund:

Local

Revenues such as donations from the general public, funding from the local City-Parish government, income from various fund raising activities, and interest earned on invested idle funds have been recorded in the local program of the general fund. Expenses related to these activities as well as expenses not chargeable to specific programs are recorded in the local program. Local program funds are also transferred to other funds and programs to supplement their funding when needed. Most of the Council's fixed assets are acquired with local program funds.

PCOA

PCOA funds are appropriated for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council may use these "Act 735" funds at its discretion provided the program benefits people who are at least 60 years old. During fiscal year 2004, all PCOA funds were used to supplement Title III programs.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Health Screening

The Council provides health-screening services and flu shots to enable senior citizens to detect health problems and prevent disease.

Fan and Blanket Fund

The Council occasionally collects donations for fans and blankets and distributes these items to senior citizens. There were no fan/blanket drives during the fiscal year 2004.

Senior Activities

The Senior Activities fund is used to account for revenues and costs associated with senior activities. These activities include, but are not limited to craft classes held at senior centers, a consignment store that enables senior citizens to market their crafts, an annual fishing rodeo, and sponsorship of the annual Senior Olympics.

Paid Meals

Paid Meals is a program whereby guest meals are sold at C-1 congregate meal sites, and C-2 frozen meals are delivered to the homes of persons who pay the full cost of the meal. Any revenues in excess of expenditures to operate this program are transferred, as needed, to the Title III C-1 and C-2 programs to subsidize the costs of providing such meals.

Public Relations

The Council uses its public relations program to inform and educate the community about its services and programs. The Council's newspaper, "The Platinum Record", is published on a bi-monthly basis to homes and other locations in East Baton Rouge Parish to inform readers about the Council's activities and provide information to help elderly people.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Senior Net Learning Center

The Council operates a Senior Net Learning Center where computer classes are held for the purposes of training and enhancing the computer skills of people 50 years of age and older.

Major Special Revenue Funds

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Most of the Council's special revenue funds are provided by GOEA. The Title III funds are provided by the United States Department of Health and Human Services – Administration on Aging through the Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council.

A fund is considered "major" if it is the primary operating fund of the Council or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category type.

The following are the funds that comprise the Council's Major Special Revenue Funds:

Title III C Area Agency Administration – (AAA) Fund

The Title III C Area Agency Administration (AAA) Fund is used to account for some of the administrative costs associated with operating the Special Programs for the Aging.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Title III-B Supportive Services Fund

The Title III-B Supportive Services Fund is used to account for funds which are to provide a variety of social services; such as, information and assistance, access services, in-home services, community services, legal assistance, and outreach for people over the age 60 and older.

GOEA has established the criteria for defining a qualifying unit of service for each Title III program. Specific supportive social services, along with the number of units provided during the fiscal year, are as follows:

	<u>Units</u>
• Information and Assistance	5655
• Homemaker	5097
• Outreach	9532
• Wellness	23310
• Medication Management	11303

Title III C-1 Fund

The Title III C-1 Fund is used to account for funds that are used to provide nutritional, congregate meals to the elderly in strategically located meal sites in East Baton Rouge Parish. During the year, the Council served approximately 73,173 congregate meals to people eligible to participate in this program.

Title III C-2 Fund

Title III C-2 Fund is used to account for funds that are used to provide nutritional, home-delivered meals to home bound older persons. During the year, the Council served approximately 95,409 home delivered meals to people eligible to participate in this program.

Title III D Fund

The Title III D Fund is used to account for funds that provide disease prevention and health promotion services. During the year, the Council provided wellness activities designed to support and/or improve the older persons mental and/or physical well being including exercise/physical fitness classes and health screening sessions. The Council also provided medication management services, which included screening and educating older persons to prevent incorrect medications usage and adverse drug reactions.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2005

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Title III E Fund

The Title III E Fund is used to account for funds, which provide various caregiver support services. This includes public education, information and assistance, support groups, in-home respite care, and personal care services.

U.S.D.A. Nutritional Supplement Incentive Program (N.S.I.P.)

The U.S.D.A Fund is used to account for the administration of Nutrition Program for the Elderly funds provided by the United States Department of Agriculture through the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

Senior Center Fund

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program provides funding for community service centers where older persons can receive supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The Council operates four senior centers in East Baton Rouge Parish, Louisiana.

Non Major Special Revenue Funds

Audit Fund

The Audit Fund is used to account for funds received from the Governor's Office of Elderly Affairs that are restricted to use as a supplement to pay for the cost of having an annual audit of the Council's financial statements.

Supplemental Senior Center Fund

The Supplemental Senior Center Fund is used to account for the additional money appropriated by the Louisiana Legislature to supplement the primary state grant for senior centers. These funds are "passed through" the Governor's Office of Elderly Affairs.

The supplemental senior center grant received by the Council from the Legislature specified that \$70,000 be passed through to Serenity 67, subject to the oversight of the Council. Serenity 67 is a nonprofit 501(c)(3) community service organization designed to assist the citizens of Louisiana House of Representatives

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2005

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

District 67 and the surrounding areas to experience a more positive community life.

Retired Senior Volunteers Program (RSVP) Fund

The Retired Senior Volunteer Program Fund is used to account for federal funds provided directly by The Corporation for National and Community Service (CNCS) and state funds that are provided directly by the Governor's Office of Elderly Affairs. These funds are used to pay travel and other out-of-pocket expenses incurred by senior citizens, age 55 and over, who have volunteered their time to assist non-profit and governmental entities in East Baton Rouge Parish, Louisiana.

RAPP Fund

RAPP (Relatives As Parents Program) was originally established using grant provided to the Council by the Brooksdale Foundation, which is developing a Grandparents Resource Center for the State of Louisiana. The Council provides educational seminars for grandparents who are raising their grandchildren.

Utility Assistance Fund

The Utility Assistance Fund is used to account for Project Care, which is sponsored by Entergy, a local utility company. Entergy collects contributions from service customers and employees and remits the funds directly to the Council. These funds are used to provide financial assistance to the elderly for the payment of their utility bills.

Fiduciary Fund – Fiduciary Funds are used to account for assets held by the Council in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Fiduciary funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency fund is used to account for assets held by the Council as an agent for individuals and other organizations.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2005

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased or acquired with an original cost of at least \$1,000 and that have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Government-Wide Statement of Net Assets. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the asset. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation.

For capital assets recorded in the Government-Wide Financial Statements, depreciation is computed and recorded using the straight-line method for the assets estimated useful life. The estimated useful lives of the various classes of depreciable capital assets are as follows:

Building Improvements	20 years
Equipment	5 – 7 years
Vehicles	5 years
Computers	3 years

Salvage values have not been estimated by management when calculating how much of an asset's cost needs to be depreciated except for vehicles. For that category of capital assets, management has used 10% of the vehicles initial cost as a salvage value estimate.

Depreciation is not computed or recorded on capital assets for purposes of the Fund Financial Statements.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds, including the General and Special Revenue Funds, are accounted for using a current financial resources measurement focus. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for the following:

- (1) Principle and interest on long-term debt are recorded when due, and
- (2) Claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

Revenue Recognition

Revenues are recorded in the Government-Wide Statements when they are earned under the accrual basis of accounting. Revenues are recorded in the Fund Financial Statements using the modified accrual basis of accounting. In applying the susceptible to accrual concept using this basis of accounting, intergovernmental grant revenues, program service fees, and interest income usually are both measurable and available. However, the timing and amounts of the receipts of public support and miscellaneous revenues are often difficult to measure; therefore, they are recorded as revenue in the period received.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2005

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Transfers and Interfund Loans

Advances between funds, which are not expected to be repaid, are accounted for as transfers. In those cases where repayment is expected, the advances are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

Budget Policy

The Council used the following procedures to derive the budgetary data which has been presented in these financial statements:

The Governor's Office of Elderly Affairs (GOEA) notifies the Council each year as to the funding levels for each program's grant award. GOEA awards funds using the same fiscal year as the Council, except for the RSVP program award, which is on a calendar year basis.

The City of Baton Rouge notifies the Council each year as to the amount included in the City-Parish budget for the Council. Because the City of Baton Rouge operates on a calendar year, its fiscal year will overlap the Council's fiscal year. Accordingly, the Council's management can predict with reasonable accuracy how much money the Council will have available for the first six months of its fiscal year. Management estimates the City's allocation for the last six months of the Council's fiscal year until the City notifies the Council of the exact allocation. Management will then incorporate the actual allocation amount into the Council's amended budget. Funds received from the City of Baton Rouge are unrestricted as to use by the Council on Aging.

The Council may also obtain grants from agencies other than GOEA and the City of Baton Rouge, and the Council considers the potential revenues to be earned under those grants.

Projections are made of revenues from other sources based on past trends and data available to form expectations of future revenues.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Council's management prepares a proposed budget based on the expected funding levels and then submits the budget to the Board of Directors for approval.

The Board of Directors review and adopts the budget before May 31 of the current year for the next year.

The adopted budget is forwarded to the Governor's Office of Elderly Affairs for its final approval.

All budgetary appropriations for grants awarded the Council by GOEA lapse at the end of each fiscal year (June 30), except for USDA Cash in lieu of Commodities funding and the grant for the RSVP program. Both the grant award from GOEA and the grant award from The Corporation for National and Community Service for the RSVP program lapse at December 31. Occasionally, the Council will receive a special project grant that may operate on a period different from the Council's normal fiscal year and, therefore, have a specified date where the budgetary appropriation will lapse.

The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.

Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments, which must also be adopted by the Board of Directors and approved by GOEA.

Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.

The Council may transfer funds between line items as often as required but must obtain prior approval from the Governor's Office of Elderly Affairs for funds received under grants from this state agency. As part of its grants awards, GOEA requires the Council to amend its budget in cases where actual costs for a particular cost category exceed the budgeted amount by more than 10%. Otherwise, the excess costs could be labeled as unauthorized expenditures.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2005

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenditures cannot legally exceed appropriations on an individual fund level.

The primary budget requirement under the RSVP program's grant from The Corporation for National and Community Services is that the ratio of volunteer expenses to total program expenses must equal or exceed the ratio in the approved budget.

The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some General Fund activities are not budgeted, particularly if they are deemed to be immaterial by management.

Compensated Absences

Full time employees earn vacation leave, beginning with the first full month of employment, at the rate of one day pay per month. The earning rate for vacation leave increases with each year of employment up to 1.75 days per month for employees with ten or more years of service.

Beginning June 15, 1992, no more than 5 days of vacation leave may be carried over at the end of the fiscal year. Prior to June 15, 1992, any amount of earned and unused vacation leave could be carried over with no limitation on its use. Payment of any vested vacation leave is made by the Council upon termination of an employee for any reason.

GASB Statement No. 16 requires the accrual for vacation leave to the extent it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. The Council recorded a liability as of June 30, 2005 for the accrued vacation for each employee at the employee's current rate of pay. Standards require that applicable provisions for retirement, social security, and Medicare taxes be included in the accrued compensations. Accrued vacation benefits will be paid from future year's resources and will be recorded as fund expenditures in the various governmental funds in the year in which they are paid or become due on demand to terminated employees.

GASB Statement No. 16 requires the accrual for sick leave if it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employee's termination or retirement. Since the accumulated sick leave lapses upon termination, no amount has been accrued.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2005

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The management of the Council has estimated that the portion of its liability for accrued compensated absences to paid from expendable available financial resources is not material. Consequently, the total amount of accrued compensation is reported in the general long-term debt account group.

Restricted Assets

Restricted assets are those that have primarily been acquired through donations or grants whereby the donor or grantor has placed a restriction on how the funds can be used by the Council. Restricted assets are offset by a corresponding reservation of the Council's fund balance.

Reservation and Designations of Fund Balances

The Council "reserves" portions of its fund balances that are not available for expenditure because resources have already been expended but the related asset not consumed, or a legal restriction has been placed on certain assets which make them only available to meet future obligations. Designated allocations of fund balances result when the Council's management intends to expend certain resources in a designated manner.

Prepaid Expenses

The Council has elected not expense amounts paid for future services until those services are consumed to comply with the cost reimbursement terms of its grant agreements. The fund balances in the governmental fund types have been reserved for any prepaid expenses recorded in these funds to reflect the amount of fund balance not currently available for expenditure.

Inventory

Inventories consists principally of food and kitchen supplies that have not been consumed as of year-end and of resource materials for Senior Net classes. Such inventories are valued at the lower cost or market under the first-in, first-out method. Amounts reported as inventories are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2005

B: CASH

The Council maintains a consolidated bank account that is available for use by all funds. The Council's deposits at June 30, 2005 are categorized below to give an indication of the level of risk assumed by the Council at year-end. Category 1 includes deposits that are insured or collateralized with securities held by the Council or by its agent in the Council's name. Category 2 includes deposits that are uncollateralized and any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the entity's name.

	Bank Balance	-----Category-----			Carrying Value
		<u>1</u>	<u>2</u>	<u>3</u>	
Total Deposits	<u>\$199,457</u>	<u>\$100,000</u>	<u>\$99,457</u>	<u>\$ -</u>	<u>\$199,457</u>

All amounts shown in Category 3 are uncollateralized. However, state law does require collateralization and when such collateral is in the form of securities pledged by the financial institution but not held in the Council's name there is a statutory requirement that the custodial bank sell the pledged security within ten days of notification that the depository bank has failed to pay deposited funds on demand.

C: RECEIVABLES ON FUNDING CONTRACTS

There are no receivables on funding contracts at June 30, 2005, due from the Governor's Office of Elderly Affairs.

D: CHANGES IN LONG-TERM DEBT

The following is a summary of transactions relating to the Council's long-term debt during the year.

	Balance 7/1/2004	Additions	Reductions	Balance 6/30/2005
Accrued compensated absences	\$ 44,755	\$ -	\$ 12,078	\$ 32,677
Capital lease obligations	<u>33,051</u>	<u>-</u>	<u>14,161</u>	<u>18,890</u>
	<u>\$ 77,806</u>	<u>\$ -</u>	<u>\$ 26,239</u>	<u>\$ 51,567</u>

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

E: FIXED ASSETS

A summary of changes to fixed assets for the year ended June 30, 2005, is as follows:

	Balance June 30, <u>2004</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2005</u>
Vehicles	\$ 88,144	\$ -	\$ 9,980	\$ 78,164
Office furniture and equipment	91,911	1,060	-	92,971
Computer software	38,239	-	-	38,239
Nutrition equipment	62,045	-	-	62,045
Leasehold improvements	90,105	-	-	90,105
Capital lease equipment	62,364	-	-	62,364
	<u>\$ 432,808</u>	<u>\$ 1,060</u>	<u>\$ 9,980</u>	<u>\$ 423,888</u>

F: LEASE COMMITMENTS

Capital Leases

At June 30, 2005, the Council had the following capital leases:

<u>Nature of Lease</u>	<u>Monthly Payment</u>	<u>Number of Months</u>	<u>Beginning Date</u>	<u>Imputed Interest</u>	<u>Balance Due</u>
Computer Equipment	\$ 525	60	10/1/2002	13.09%	\$ 12,231
Computer Equipment	\$ 436	36	11/9/2003	14.66%	6,659
					<u>\$ 18,890</u>

Future minimum lease payments, by year and in the aggregate, are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2006	11,539
2007	8,486
2008	<u>1,575</u>
Total minimum lease payments remaining	21,600
Less: Imputed interest	<u>(2,710)</u>
Present value of net minimum lease payments at June 30, 2005	<u>\$ 18,890</u>

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

F: LEASE COMMITMENTS (Continued)

Operating Leases

On September 1, 1992, the Council entered into a lease with the City of Baton Rouge for the building that houses the Council's main office at 5790 Florida Boulevard, Baton Rouge, Louisiana. The terms of this lease require annual payments of \$1 for ten years. The Council is responsible for utilities, normal repairs, and maintenance, and liability, fire and casualty insurance.

G: IN-KIND DONATIONS

The Council received \$327,000 in various in-kind contributions during the year which have been valued at their estimated fair market value and presented in this report as revenue. Related expenditures, equal to the in-kind revenues, have also been presented, thereby producing no effect on net revenue.

A summary of the in-kind contributions and their respective assigned values is as follows:

The Council's main office facility was furnished by the City of Baton Rouge for \$1.00 per year. Maintenance workers are also included	\$215,468
Other/meal site facilities and health screening sites are furnished to the Council without charge	108,141
Other donated services	<u>3,391</u>
	<u>\$327,000</u>

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

G: IN-KIND DONATIONS (Continued)

The Council receives additional support through services contributed by volunteers that does not meet the criteria for recognition under generally accepted accounting principles because the Council would not hire additional paid employees to perform these services if volunteers were not available.

H: DEFERRED COMPENSATION

The Council offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all Council employees and permits them to defer a portion of their salary until future years. Participation in the plan is at the employee's option.

The deferred compensation is not available to participating employees until termination, retirement, death or unforeseeable emergency. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. In accordance with GASB statement No. 32, the Council does not present the investment in deferred compensation and the offsetting deposits and escrow accounts as assets and liabilities on its combined balance sheet. At June 30, 2005, the plan assets totaled \$83,171.

I: BOARD OF DIRECTOR'S COMPENSATION

Service on the Board of Directors is voluntary and, therefore, members are not compensated in the form of per diem. Members of the Board are reimbursed for travel expenses.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

J: INTERFUND TRANSFERS

Transfers in and out are listed by fund type for the year ended June 30, 2005:

<u>Transfers In</u>	<u>PCOA</u>	<u>NSIP</u>	<u>Transfers Out</u>			<u>Total Transfers In</u>
			<u>Senior Center</u>	<u>Sup Senior Center</u>	<u>General Fund</u>	
<u>Special Revenue Fund:</u>						
Title III B	\$ 65,747	\$ -	\$ 57,208	\$ 32,000	\$154,032	\$308,987
Title III D	-	-	-	-	18,924	18,924
Title III E	-	-	-	-	9,946	9,946
Title III C-1	-	34,459	23,675	-	12,236	70,370
Title III C-2	-	63,886	27,112	-	78,587	169,585
RSVP	-	-	-	-	16,904	16,904
Utility	-	-	-	-	6,770	6,770
Assistance	-	-	-	-	-	-
Audit	-	-	-	-	5,898	5,898
<u>General Fund:</u>						
Health Screening	-	-	-	-	78,130	78,130
Senior Activities	-	-	-	-	23,038	23,038
Paid Meals	-	-	-	-	1,580	1,580
Public Relations	-	-	-	-	97,747	97,747
Senior Net	-	-	-	-	17,212	17,212
<u>Total Transfers</u>						
Out	\$ 65,747	\$ 98,345	\$107,995	\$ 32,000	\$521,004	\$825,091

K: EMPLOYEE BENEFITS

The Council maintains a cafeteria plan allowable under IRC Section 125 for its eligible full-time employees. Employees may elect to reduce compensation to pay for personal health, dental and/or disability insurance.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

June 30, 2005

L: ECONOMIC DEPENDENCY

The Council receives the majority of its revenue from grants administered by the Louisiana Governor's Office of Elderly Affairs and quarterly allocations from the City of Baton Rouge, Louisiana. The grant amounts are appropriated each year by the federal, state, and local governments. If significant budget cuts are made at the federal, state and/or local level, the Council's funding could be reduced significantly and have an adverse impact on its operations. However, management is not aware of any actions by Council funding sources that will adversely affect operations in the next fiscal year.

M: FEDERALLY ASSISTED PROGRAMS – COMPLIANCE CONTINGENCIES

Federal and State assistance programs represent an important source of funding for the Council. These programs are audited annually in accordance with the "Single Audit Act". Prior audits have not resulted in any significant disallowed costs; however, grantor agencies may conduct or require further examinations. Based upon prior experience, Council management believes that further examination would not result in any significant disallowed costs.

N: RELATED PARTY TRANSACTIONS

The Council is the sponsoring agency for the Dumas House Corporation, as separate 501(c) (3) non-profit entity that received a loan from HUD to purchase property, design, and build a 66 unit apartment complex for senior citizens. As the sponsoring agency, the Council paid \$10,409 in project start-up costs in fiscal 2000 for which a total of \$6,500 was repaid in year 2001. Other costs and support were charged against year 2000 operations. In its capacity as a sponsor, the Council purchased a \$10,000 certificate of deposit and placed it in escrow for the Dumas House Corporation as a "minimum capital investment" required under the terms of the HUD loan agreement. Also, in fiscal year 2001, the Council under a loan agreement advanced Dumas House \$39,492 to pay the local sewer impact fee for the facility under construction. In fiscal 2002, it was determined that the sewer impact fee was an unallowable expense to the Dumas House under the HUD agreement and therefore is not reimbursable to the Council and is shown in the current combined statement of revenue, expenditures and changes in fund balance as a sponsorship expense. Included in other receivables in the combined balance sheet is a total of \$13,909 due from Dumas House for the "minimum capital investment" and the unreimbursed start-up costs. The Council has not charged any interest to the Dumas House Corporation.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

The Council is also the income and principal beneficiary of The Oscar Lafleur Charitable Trust. There were no transactions with the trust during the current year other than a lawsuit settlement. See footnote R. The Trust has assets of \$209,119 as of June 30, 2005 and owes the Council \$41,885 in unreimbursed legal fees.

O: REQUIRED INDIVIDUAL FUND DISCLOSURES

The RAPP Fund had a deficiency of revenue and other sources over expenditures and other uses for the year ended June 30, 2005 of \$(2,636).

P: LINE OF CREDIT

The Council established a line of credit with a local financial institution on May 1, 2002, in the amount of \$125,000. The balance at June 30, 2005 was \$0. The credit line drawings on the line bear interest at a rate that varies with a designated prime rate "index". The credit line drawings are secured by the Council's depository accounts held in the financial institution.

Q. NEW REPORTING STANDARD

In June 1999, The Governmental Accounting Standards Board (GASB) unanimously approved State No. 34, *Basic Financial Statement – and Management's Discussion and Analysis* – for State and Local Governments. Certain of the significant changes in the Statement include the following:

The financial statements include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Council's overall financial position and results of operations.
- Government-Wide Financial Statements prepared using full accrual accounting for all of the Council's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to the financial statements).

The Council elected to implement the general provisions the GASB Statement 34 in the prior year ended June 30, 2004.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2005

R. LITIGATION SETTLEMENT - ROSEWOOD PLANTATION

The Council settled a law suit against its former executive director and a corporation related to the former executive director. The suit contended that the former executive director, and the related corporation misappropriated \$1.3 million plantation and money and other property from an irrevocable trust created for the sole benefit of the Council. The plantation was later sold for a fraction of its value, namely \$199,348. The Council sought rescission of the "Cash Sale" as well as damages. The lawsuit was settled for \$400,000. Legal fees for this matter for the year ended June 30, 2005, were \$43,747. The Council was reimbursed \$232,766 in legal fees by the Trust and the balance of the settlement is held for investment by the Trust as of June 30, 2005.

SUPPLEMENTARY FINANCIAL INFORMATION

Required by GASB 34

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND**

**EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2005**

REVENUES	BUDGETS		ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
	ORIGINAL	FINAL		
Intergovernmental:				
City of Baton Rouge	\$ 661,048	\$ 661,048	\$ 661,050	\$ 2
Office of Elderly Affairs	65,747	65,747	65,747	-
Office of Rural Development	-	-	-	-
Interest Income	-	-	-	-
Unrestricted Public Support	10,000	3,595	3,595	-
Restricted Public Support	36,000	40,000	14,148	(25,852)
Program Service Fees:				
Program Income	37,500	54,500	33,885	(20,615)
Crafts	2,500	-	1,089	1,089
Senior Olympics Entry Fee	9,000	7,200	14,530	7,330
Miscellaneous:				
Platinum Record Ad Sales	75,000	53,825	48,763	(5,062)
Golf Tourney	15,000	14,950	14,217	(733)
Senior Olympic Sponsorship	25,000	16,000	27,935	11,935
Other / Fund Raising	5,000	4,800	5,598	798
Lawsuit Settlement	-	196,500	232,766	36,266
In-Kind Contributions	32,124	32,124	32,124	-
	<u>973,919</u>	<u>1,150,289</u>	<u>1,155,447</u>	<u>5,158</u>
Expenditures				
Current:				
Salaries and Wages	207,502	200,514	192,462	8,052
Fringe	30,765	32,828	33,643	(815)
Travel	11,531	7,076	6,940	136
Operating Services	142,605	136,846	113,829	23,017
Operating Supplies	10,676	18,286	20,991	(2,705)
Other Costs	49,590	41,292	52,315	(11,023)
Meals	8,761	8,401	8,211	190
Capital Outlay	35,000	35,000	-	35,000
Debt Service:				
Principle Retirement	16,393	15,000	14,728	272
Interest	16,393	4,225	3,268	957
Sponsorship Expense	-	-	-	-
In-Kind Services and Facilities	32,124	32,124	32,124	-
	<u>561,340</u>	<u>531,592</u>	<u>478,511</u>	<u>53,081</u>
Excess (deficiency) of Revenue over Expenditures	412,579	618,697	676,936	58,239
Other Financing Sources (Uses)				
Operating Transfers In	201,229	228,218	217,707	(10,511)
Operating Transfers Out	(610,394)	(600,800)	(586,751)	14,049
Excess (deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 3,414	\$ 246,115	\$ 307,892	\$ 61,777

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND - TITLE III-B**

**EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2005**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Office of Elderly Affairs	\$ 277,079	\$ 277,079	\$ 277,079	\$ -
Restricted Public Support	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Participant Contributions	-	-	-	-
Contributions in Kind	33,763	33,763	33,763	-
Total Revenues	310,842	310,842	310,842	-
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	33,763	33,763	33,763	-
Salaries and Wages	316,822	401,368	398,690	2,678
Fringe	56,285	82,683	87,615	(4,932)
Travel	10,896	17,813	18,162	(349)
Operating Services	44,797	50,891	43,273	7,618
Operating Supplies	5,205	8,629	8,875	(246)
Other	20,317	32,996	29,451	3,545
Meals	-	-	-	-
Total Expenditures	488,085	628,143	619,829	8,314
Excess of Revenues over (under)				
Expenditures	(177,243)	(317,301)	(308,987)	8,314
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	177,243	317,301	308,987	(8,314)
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND - TITLE III C-1**

**EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2005**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Office of Elderly Affairs	\$ 282,738	\$ 282,738	\$ 282,738	\$ -
Restricted Public Support	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Participant Contributions	56,500	40,000	41,414	1,414
Contributions in Kind	147,144	147,144	147,144	-
Total Revenues	<u>486,382</u>	<u>469,882</u>	<u>471,296</u>	<u>1,414</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	147,144	147,144	147,144	-
Salaries and Wages	271,335	184,868	198,754	(13,886)
Fringe	45,807	40,158	40,017	141
Travel	1,695	414	404	10
Operating Services	56,097	42,413	42,259	154
Operating Supplies	9,356	7,872	8,549	(677)
Other	4,858	8,452	7,381	1,071
Meals	105,808	101,020	97,158	3,862
Total Expenditures	<u>642,100</u>	<u>532,341</u>	<u>541,666</u>	<u>(9,325)</u>
Excess of Revenues over (under) Expenditures	(155,718)	(62,459)	(70,370)	(7,911)
<u>OTHER FINANCING SOURCES USES</u>				
Operating transfers in	155,718	62,459	70,370	7,911
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND - TITLE III C-2**

**EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2005**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Office of Elderly Affairs	\$ 317,227	\$ 317,227	\$ 317,227	\$ -
Restricted Public Support	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Participant Contributions	4,500	2,700	2,796	96
Contributions in Kind	32,981	32,981	32,981	-
Total Revenues	<u>354,708</u>	<u>352,908</u>	<u>353,004</u>	<u>96</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	32,981	32,981	32,981	-
Salaries and Wages	237,139	218,669	218,131	538
Fringe	35,923	40,932	43,030	(2,098)
Travel	29,441	28,651	28,567	84
Operating Services	40,564	38,538	37,203	1,335
Operating Supplies	8,554	7,534	8,634	(1,100)
Other	4,246	9,998	8,101	1,897
Meals	125,431	130,579	145,942	(15,363)
Total Expenditures	<u>514,279</u>	<u>507,882</u>	<u>522,589</u>	<u>(14,707)</u>
Excess of Revenues over (under) Expenditures	(159,571)	(154,974)	(169,585)	(14,611)
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	159,571	(154,974)	169,585	14,611
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND - TITLE III C-1 AAA**

**EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2005**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Office of Elderly Affairs	\$ 87,565	\$ 87,565	\$ 87,565	\$ -
Restricted Public Support	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Participant Contributions	-	-	-	-
Contributions in Kind	-	-	-	-
Total Revenues	<u>87,565</u>	<u>87,565</u>	<u>87,565</u>	<u>-</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	-	-	-	-
Salaries and Wages	50,617	45,512	50,617	(5,105)
Fringe	8,107	8,872	8,109	763
Travel	986	394	986	(592)
Operating Services	22,916	22,173	22,913	(740)
Operating Supplies	2,030	2,475	2,030	445
Other	2,909	8,139	2,910	5,229
Meals	-	-	-	-
Total Expenditures	<u>87,565</u>	<u>87,565</u>	<u>87,565</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND -TITLE III-D**

**EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2005**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Office of Elderly Affairs	\$ 13,913	\$ 13,913	\$ 13,913	\$ -
Restricted Public Support	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Participant Contributions	-	-	-	-
Contributions in Kind	1,619	1,619	1,619	-
Total Revenues	<u>15,532</u>	<u>15,532</u>	<u>15,532</u>	<u>-</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	1,619	1,619	1,619	-
Salaries and Wages	32,065	33,256	24,279	8,977
Fringe	4,003	4,224	3,890	334
Travel	719	299	264	35
Operating Services	4,519	4,142	2,635	1,507
Operating Supplies	2,400	1,002	867	135
Other	774	1,720	902	818
Meals	-	-	-	-
Total Expenditures	<u>46,099</u>	<u>46,262</u>	<u>34,456</u>	<u>11,806</u>
Excess of Revenues over (under) Expenditures	(30,567)	(30,730)	(18,924)	11,806
<u>OTHER FINANCING SOURCES USES</u>				
Operating transfers in	30,567	30,730	18,924	(11,806)
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND - TITLE III-E**

**EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2005**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Office of Elderly Affairs	\$ 114,247	\$ 114,247	\$ 114,247	\$ -
Restricted Public Support	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Participant Contributions	-	-	-	-
Contributions in Kind	4,369	4,369	4,369	-
Total Revenues	118,616	118,616	118,616	-
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	4,369	4,369	4,369	-
Salaries and Wages	100,861	83,096	84,023	(927)
Fringe	20,830	22,126	23,041	(915)
Travel	3,861	3,409	3,752	(343)
Operating Services	14,213	10,350	9,120	1,230
Operating Supplies	1,259	1,255	1,136	119
Other	1,806	3,799	3,121	678
Meals	-	-	-	-
Total Expenditures	147,199	128,404	128,562	(158)
Excess of Revenues over (under) Expenditures	(28,583)	(9,788)	(9,946)	(158)
<u>OTHER FINANCING SOURCES USES</u>				
Operating transfers in	28,583	9,788	9,946	158
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND -N.S.I.P.**

**EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 20054**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Office of Elderly Affairs	\$ 101,346	\$ 101,346	\$ 98,345	\$ (3,001)
Restricted Public Support	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Participant Contributions	-	-	-	-
Contributions in Kind	-	-	-	-
Total Revenues	<u>101,346</u>	<u>101,346</u>	<u>98,345</u>	<u>(3,001)</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	-	-	-	-
Salaries and Wages	-	-	-	-
Fringe	-	-	-	-
Travel	-	-	-	-
Operating Services	-	-	-	-
Operating Supplies	-	-	-	-
Other	-	-	-	-
Meals	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	101,346	101,346	98,345	(3,001)
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	-	-	-	-
Operating transfers out	<u>(101,346)</u>	<u>(101,346)</u>	<u>(98,345)</u>	<u>3,001</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND - SENIOR CENTER
EAST BATON ROUGE COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2005

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Office of Elderly Affairs	\$ 190,474	\$ 190,474	\$ 190,474	\$ -
Restricted Public Support	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Participant Contributions	-	-	-	-
Contributions in Kind	75,000	75,000	75,000	-
Total Revenues	<u>265,474</u>	<u>265,474</u>	<u>265,474</u>	<u>-</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	75,000	75,000	75,000	-
Salaries and Wages	101,844	65,802	67,859	(2,057)
Fringe	19,722	15,464	14,620	844
Travel	100	-	-	-
Operating Services	250	-	-	-
Operating Supplies	-	-	-	-
Other	-	-	-	-
Meals	-	-	-	-
Total Expenditures	<u>196,916</u>	<u>156,266</u>	<u>157,479</u>	<u>(1,213)</u>
Excess of Revenues over (under)				
Expenditures	68,558	109,208	107,995	(1,213)
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	-	-	-	-
Operating transfers out	(68,558)	(109,208)	(107,995)	1,213
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUPPLEMENTARY FINANCIAL INFORMATION

Required by: Governor's Office of Elderly Affairs

EAST BATON ROUGE COUNCIL ON AGING, INC.
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND - NON MAJOR FUNDS
For Year Ended June 30, 2005

Revenue	Audit	Sup Senior Center	RSVP	RAPP	Utility Assistance	Total Non Major Funds
Intergovernmental:						
City of Baton Rouge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office of Elderly Affairs	9,502	102,000	-	-	-	111,502
Corporation for National and Community Service	-	-	72,412	-	-	72,412
Unrestricted Public Support	-	-	-	-	-	-
Restricted Public Support	-	-	-	-	2,588	2,588
Miscellaneous:						
General Public via Entergy	-	-	-	-	114,868	114,868
In-Kind Contributions	-	-	-	-	-	-
	<u>9,502</u>	<u>102,000</u>	<u>72,412</u>	<u>-</u>	<u>117,456</u>	<u>301,370</u>
Expenditures						
Current:						
Salaries and Wages	-	-	48,185	-	6,479	52,664
Fringe	-	-	11,903	-	952	12,855
Travel	-	-	1,516	18	13	1,547
Operating Services	-	-	5,013	1,488	703	7,204
Operating Supplies	-	-	1,370	168	80	1,618
Other Costs	15,400	-	22,269	962	240	38,871
Capital Outlay	-	-	1,060	-	-	1,060
Utility Assistance	-	-	-	-	103,358	103,358
Sub Grantee	-	70,000	-	-	-	70,000
In-Kind Services and Facilities	-	-	-	-	-	-
	<u>15,400</u>	<u>70,000</u>	<u>89,316</u>	<u>2,636</u>	<u>111,825</u>	<u>289,177</u>
Excess (deficiency) of Revenue over Expenditures	(5,898)	32,000	(16,904)	(2,636)	5,631	12,193
Other Financing Sources (Uses)						
Operating Transfers In	5,898	-	16,904	-	6,770	29,572
Operating Transfers Out	-	(32,000)	-	-	-	(32,000)
	<u>5,898</u>	<u>(32,000)</u>	<u>16,904</u>	<u>-</u>	<u>6,770</u>	<u>(2,428)</u>
Excess (deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	-	-	-	(2,636)	12,401	9,765
Fund Balances						
Beginning of Year	-	-	-	8,824	7,048	15,872
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,188</u>	<u>\$ 19,449</u>	<u>\$ 25,637</u>

EAST BATON ROUGE COUNCIL ON AGING, INC.
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUNDS
For the Year Ended June 30, 2005

	Local	PCOA	Health Screening	Fan and Blanket Fund	Senior Activities	Paid Meals Program	Public Relations	Senior Net	Total
Revenue									
Intergovernmental:									
City of Baton Rouge	\$ 661,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 661,050
Office of Elderly Affairs	-	65,747	-	-	-	-	-	-	65,747
Interest Income	-	-	-	-	-	-	-	-	-
Unrestricted Public Support	3,595	-	-	-	-	-	-	-	3,595
Restricted Public Support	12,600	-	-	675	-	873	-	-	14,148
Program Service Fees:									
Participant Contributions	-	-	-	-	-	-	-	-	-
Program Income	1,524	-	-	-	-	28,371	-	3,990	33,885
Crafts	-	-	-	-	1,089	-	-	-	1,089
Senior Olympics Entry Fee	-	-	-	-	14,530	-	-	-	14,530
Miscellaneous:									
Platinum Record Ad Sales	-	-	-	-	-	-	48,763	-	48,763
Golf Tourney	-	-	-	-	-	-	14,217	-	14,217
Senior Olympics Sponsorship	-	-	-	-	27,935	-	-	-	27,935
Other	3,028	-	-	-	2,570	-	-	-	5,598
Lawsuit Settlement	232,766	-	-	-	-	-	-	-	232,766
In-Kind Contributions	32,124	-	-	-	-	-	-	-	32,124
	<u>946,687</u>	<u>65,747</u>	<u>-</u>	<u>675</u>	<u>46,124</u>	<u>29,244</u>	<u>62,980</u>	<u>3,990</u>	<u>1,155,447</u>
Expenditures									
Current:									
Salaries and Wages	-	-	57,059	-	28,132	12,589	82,222	12,460	192,462
Fringe	189	-	8,610	-	4,946	2,395	16,120	1,383	33,643
Travel	1,108	-	2,255	-	645	1,575	1,332	25	6,940
Operating Services	50,528	-	6,193	-	6,585	2,132	45,488	2,903	113,829
Operating Supplies	7,105	-	1,346	-	4,676	495	3,796	3,573	20,991
Other Costs	16,823	-	2,667	-	16,771	3,427	11,769	858	52,315
Meals	-	-	-	-	-	8,211	-	-	8,211
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principle Retirement	14,728	-	-	-	-	-	-	-	14,728
Interest	3,268	-	-	-	-	-	-	-	3,268
Sponsorship Expense	-	-	-	-	-	-	-	-	-
In-Kind Services and Facilities	32,124	-	-	-	-	-	-	-	32,124
	<u>125,873</u>	<u>-</u>	<u>78,130</u>	<u>-</u>	<u>61,755</u>	<u>30,824</u>	<u>160,727</u>	<u>21,202</u>	<u>478,511</u>
Excess (deficiency) of Revenue over Expenditures	820,814	65,747	(78,130)	675	(15,631)	(1,580)	(97,747)	(17,212)	676,936
Other Financing Sources (Uses)									
Operating Transfers In	-	-	78,130	-	23,038	1,580	97,747	17,212	217,707
Operating Transfers Out	(521,004)	(65,747)	-	-	-	-	-	-	(586,751)
	<u>(521,004)</u>	<u>(65,747)</u>	<u>78,130</u>	<u>-</u>	<u>23,038</u>	<u>1,580</u>	<u>97,747</u>	<u>17,212</u>	<u>(369,044)</u>
Excess (deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	299,810	-	-	675	7,407	-	-	-	307,892
Fund Balances									
Beginning of Year	(159,305)	-	-	677	-	-	-	-	(158,628)
End of Year	<u>\$ 140,505</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,352</u>	<u>\$ 7,407</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,264</u>

EAST BATON ROUGE COUNCIL ON AGING, INC.
COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS
AND CHANGES IN GENERAL FIXED ASSETS

For the Year Ended June 30, 2005

	Balance June 30, 2004	Reclass- ifications	Additions	Deletions	Balance June 30, 2005
GENERAL FIXED ASSETS					
Vehicles	\$ 88,144			\$ 9,980	\$ 78,164
Office furniture and equipment	91,911		1,060		92,971
Computer software	38,239				38,239
Nutrition equipment	62,045				62,045
Leasehold improvements	90,105				90,105
Capital lease equipment	<u>62,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,364</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 432,808</u>	<u>\$ -</u>	<u>\$ 1,060</u>	<u>\$ 9,980</u>	<u>\$ 423,888</u>
INVESTMENT IN GENERAL FIXED ASSETS					
Property acquired with funds from:					
General fund	\$ 427,250			\$ 9,980	\$ 417,270
RSVP	-		1,060		1,060
PCOA	3,558				3,558
Donations from the general public	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	<u>\$ 432,808</u>	<u>\$ -</u>	<u>\$ 1,060</u>	<u>\$ 9,980</u>	<u>\$ 423,888</u>

EAST BATON ROUGE COUNCIL ON AGING, INC.
SCHEDULE OF RSVP ACTIVITY
For the Grant Year Ended December 31, 2004

	<u>Actual</u>	<u>Actual %</u>	<u>Budget</u>	<u>Budget %</u>
Volunteer support	\$ 71,099	79.6%	\$ 44,132	75%
Volunteer expense	<u>18,217</u>	20.4%	<u>14,711</u>	25%
Total costs incurred	\$ 89,316		<u>\$ 58,843</u>	
Cost paid with local match	<u>(16,904)</u>			
Costs remaining to be paid with The Corporation for National and Community Service and GOEA funds	<u>\$ 72,412</u>			
Costs paid for with GOEA (State) funds received	\$ 13,303			
Costs paid with funds from The Corporation for National and Community Service	<u>59,109</u>			
Total	<u>\$ 72,412</u>			

EAST BATON ROUGE COUNCIL ON AGING, INC.
SCHEDULE OF PRIORITY SERVICES
TITLE III-B – GRANT FOR SUPPORTIVE SERVICES
For the Year Ended June 30, 2005

		<u>Amount</u>	<u>Total</u>	<u>% of GOEA Grant</u>
Access (30%):	Assisted transportation	\$ -		
	Case management	79,315		
	Transportation	-		
	Information & assistance	105,380		
	Nutrition education	-		
	Outreach	<u>117,642</u>		
	Total access expenses		302,337	140.92%
In-Home (15%):	Homemaker	162,956		
	Chore	-		
	Telephoning	6,050		
	Material Aid	43,372		
	Adult daycare/health	24,643		
	Personal care	<u>32,063</u>		
	Total in-home expenses		269,084	<u>125.42%</u>
Legal (5%):	Legal assistance		14,645	<u>6.82%</u>
Non-priority services			<u>-</u>	
Total III-B – supportive services expenditures			586,066	
Less: Other public support				
Transfers In			<u>(308,987)</u>	
Title III-B – supportive services grant			277,079	
Less: Transfers of contract allotments				
State homemaker			(62,531)	
State transportation			<u>-</u>	
Original grant award net of additional state homemaker and transportation funds and transfers of contract allotments			<u>\$ 214,548</u>	

SUPPLEMENTARY FINANCIAL INFORMATION
REQUIRED BY: OMB CIRCULAR A-133

EAST BATON ROUGE COUNCIL ON AGING, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2005

<u>Federal Grantor/Pass Through Grantors/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Year End</u>	<u>Program or Award Amount</u>	<u>Revenue Recognized</u>	<u>Total Federal Expenditures</u>
U.S. Department of Health and Human Services – Administration on Aging Passed Through the Louisiana Governor's Office of Elderly Affairs: Special Programs for the Aging:					
Title III, Part B Supportive Services	93.044	6/30/2005	\$ 191,556	\$ 191,556	\$ 191,556
Title III, Part C – Area Agency Administration	93.045	6/30/2005	65,674	65,674	65,674
Title III, Part C-1 Nutritional Services Congregate Meals	93.045	6/30/2005	177,738	177,738	177,738
Title III, Part C-2 Nutritional Services Home Delivered Meals	93.045	6/30/2005	122,175	122,175	122,175
Total Title III, Part C			365,587	365,587	365,587
Title III, Part D Disease Prevention and Health Promotion Services	93.043	6/30/2005	13,913	13,913	13,913
Title III, Part E Family Caregiver Program	93.052	6/30/2005	85,685	85,685	85,685
Total for U.S. Department Of Health and Human Services			99,598	99,598	99,598
U.S. Department of Agriculture Passed Through the Louisiana Governor's Office of Elderly Affairs: NSIP- Nutritional Supplement Incentive Program	93.053	6/30/2005	98,345	98,345	98,345
The Corporation for National and Community Service Direct Programs:					
Retired Senior Volunteer Program (RSVP)	94.002	12/31/2004	58,080	35,422	35,422
Retired Senior Volunteer Program (RSVP)	94.002	12/31/2005	58,080	36,990	36,990
			116,160	72,412	72,412
			\$ 871,246	\$ 827,498	\$ 827,498

Note: This schedule is prepared using modified accrual basis of accounting as contemplated under accounting principles generally accepted in the United States of America and which is the same basis of accounting applied on the general purpose financial statement.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana, USA

We have audited the financial statements of the East Baton Rouge Council on Aging, Inc., as of and for the year ended June 30, 2005, and have issued our report thereon, dated December 1, 2005. We conducted our audit in accordance with generally accepted auditing standards, and **Government Auditing Standards**, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements of the East Baton Rouge Council on Aging, Inc. are free of material misstatement, we performed tests of the Council's compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Governmental Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered East Baton Rouge Council on Aging, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Michael R. Choate & Co.

CERTIFIED PUBLIC ACCOUNTANTS

December 1, 2005



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Board of Directors
East Baton Rouge Council on Aging, Inc.

Compliance

We have audited the compliance of East Baton Rouge Council on Aging, Inc. with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. East Baton Rouge Council on Aging, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the management of East Baton Rouge Council on Aging, Inc. Our responsibility is to express an opinion on East Baton Rouge Council on Aging, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about East Baton Rouge Council on Aging, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on East Baton Rouge Council on Aging, Inc.'s compliance with those requirements.

In our opinion, East Baton Rouge Council on Aging, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of East Baton Rouge Council on Aging, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered East Baton Rouge Council on Aging, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, would adversely affect East Baton Rouge Council on Aging, Inc.'s ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. We noted no matters involving the internal control over compliance and its operation that we consider a reportable condition.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level that risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we noted no reportable conditions to be material weaknesses.

This report is intended for the information and use of the management and governing body of East Baton Rouge Council on Aging, Inc., the Legislative Auditor, the Governor's Office of Elderly Affairs, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Michael R. Choate & Co.
CERTIFIED PUBLIC ACCOUNTANTS

December 1, 2005

EAST BATON ROUGE COUNCIL ON AGING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2005

A: SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of East Baton Rouge Council on Aging, Inc.
2. There were no reportable conditions relating to the audit of the general purpose financial statements in the "Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*."
3. No instances of noncompliance material to the general purpose financial statements of East Baton Rouge Council on Aging, Inc. were disclosed during the audit, and are referred in the "Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*."
4. No reportable conditions relating to the audit of the major federal award programs were noted, in the "Report on Compliance with Requirements Applicable to Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133." No conditions are reported as material weaknesses.
5. The auditor's report on compliance for the major federal award programs for East Baton Rouge Council on Aging, Inc. expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for East Baton Rouge Council on Aging, Inc. are reported in Part C of this Schedule.
7. No management letter was issued in connection with this engagement.
8. The program tested as a major program are as follows:
 - U.S. Department of Health and Human Services
 - Special Programs for the Aging:
 - Title III-B – Supportive Services; CFDA #93.044
 - Title III-C – Nutritional Services; CFDA # 93.045
 - Title III-D – Disease Prevention and Health Promotion Services; CFDA #93.043
 - Title III-E – Caregiver Support CFDA #93.052
9. The threshold for distinguishing Types A and B programs was \$300,000.
10. East Baton Rouge Council on Aging, Inc. was determined not to be a low-risk auditee.

B: FINDING – FINANCIAL STATEMENT AUDIT

No reportable conditions or material weaknesses noted.

**C: FINDINGS AND QUESTIONED COSTS- MAJOR FEDERAL AWARD PROGRAM
AUDIT**

U.S. Department of Health and Human Services

Special Programs for the Aging:

Title III-B – Supportive Services; CFDA #93.044

Title III-C – Nutritional Services; CFDA # 93.045

Title III-D – Disease Prevention and Health Promotion Services; CFDA #93.043

Title III-E – Caregiver Support; CFDA #93.052

Reportable Conditions – None

Material Weaknesses - None

EAST BATON ROUGE COUNCIL ON AGING, INC.
SCHEDULE OF CORRECTIVE ACTION TAKEN
ON PRIOR YEAR FINDINGS
Year Ended June 30, 2005

C. FINDINGS AND QUESTIONED COSTS- MAJOR FEDERAL AWARD PROGRAM AUDIT

U.S. Department of Health and Human Services
Special Programs for the Aging:
Title III- B – Supportive Services; CFDA #93.044
Title III-C – Nutritional Services; CFDA #93.045
Title III-D – Disease Prevention and Health Promotion Services; CFDA #93.043
Title III – E – Caregiver Support; CFDA #93.052

Reportable Conditions

04-01, 03-3 Title III C- congregate meals site managers

Condition- The council requires all congregate meal site participants to sign a roster indicating their daily attendance. The site manager should total the sheet and sign approval before submitting the roster to the main office for processing.

Action Taken- Site managers received additional reminders from main office and Executive Director regarding this issue. Condition resolved for the year ended June 30, 2005.

EXIT CONFERENCE

East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana

June 30, 2005

The exit conference was held on December 1, 2005, the last day of field work of the audit. Those in attendance were Michael R. Choate, Certified Public Accountant; and Johnny Dykes, Executive Director of the Council and Brenda Green, CPA. The observations and findings of the audit were discussed.